

103^D CONGRESS
2^D SESSION

S. 1962

To provide for demonstration projects in 6 States to establish or improve
a system of assured minimum child support payments.

IN THE SENATE OF THE UNITED STATES

MARCH 22 (legislative day, FEBRUARY 22), 1994

Mr. DODD (for himself and Mr. ROCKEFELLER) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To provide for demonstration projects in 6 States to establish
or improve a system of assured minimum child support
payments.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Child Support Assur-
5 ance Act of 1994”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—The Congress finds that—

8 (1) the number of single-parent households has
9 increased significantly;

1 (2) there is a high correlation between child-
2 hood poverty and growing up in a single-parent
3 household;

4 (3) family dissolution often brings the economic
5 consequence of a lower standard of living for the
6 custodian and children;

7 (4) children are nearly twice as likely to be in
8 poverty after a family dissolution as before a family
9 dissolution;

10 (5) one-fourth of the single mothers who are
11 owed child support receive none and another one-
12 fourth of such mothers receive only partial child sup-
13 port payments;

14 (6) single mothers above and below the poverty
15 line are equally likely to receive none of the child
16 support they are owed; and

17 (7) the failure of children to receive an ade-
18 quate level of child support limits the ability of such
19 children to thrive and to develop their potential and
20 leads to long-term societal costs in terms of health
21 care, welfare, and loss in labor force productivity.

22 (b) PURPOSE.—It is the purpose of this Act to enable
23 participating States to establish child support assurance
24 systems in order to improve the economic circumstances
25 of children who do not receive a minimum level of child

1 support from the noncustodial parents of such children
2 and to strengthen the establishment and enforcement of
3 child support awards. The child support assurance ap-
4 proach is structured on a demonstration basis in order to
5 implement and evaluate different options with respect to
6 the provision of intensive support services and mechanisms
7 for administering the program on a national basis.

8 **SEC. 3. ESTABLISHMENT OF CHILD SUPPORT ASSURANCE**
9 **DEMONSTRATION PROJECTS.**

10 (a) IN GENERAL.—In order to encourage States to
11 provide a guaranteed minimum level of child support for
12 every eligible child not receiving such support, the Sec-
13 retary of Health and Human Services (hereafter in this
14 section referred to as the “Secretary”) shall make grants
15 to not more than 6 States to conduct demonstration
16 projects for the purpose of establishing or improving a sys-
17 tem of assured minimum child support payments in
18 accordance with this section.

19 (b) CONTENTS OF APPLICATION.—An application for
20 grants under this section shall be submitted by the
21 Governor of a State and shall—

22 (1) contain a description of the proposed child
23 support assurance project to be established, imple-
24 mented, or improved using amounts provided under
25 this section, including the level of the assured bene-

1 fit to be provided, the specific activities to be under-
2 taken, and the agencies that will be involved;

3 (2) specify whether the project will be carried
4 out throughout the State or in limited areas of the
5 State;

6 (3) estimate the number of children who will be
7 eligible for assured minimum child support payments
8 under the project, and the amounts to which they
9 will be entitled on average as individuals and in the
10 aggregate;

11 (4) describe the child support guidelines and re-
12 view procedures which are in use in the State and
13 any expected modifications;

14 (5) contain a commitment by the State to carry
15 out the project during a period of not less than 3
16 and not more than 5 consecutive fiscal years begin-
17 ning with fiscal year 1996;

18 (6) contain assurances that the State—

19 (A) is currently at or above the national
20 median paternity establishment rate (as defined
21 in section 452(g)(2) of the Social Security Act),

22 (B) will improve the performance of the
23 agency designated by the State to carry out the
24 requirements under part D of title IV of the
25 Social Security Act by at least 4 percent each

1 year in which the State operates a child support
2 assurance project under this section in—

3 (i) the number of cases in which pa-
4 ternity is established when required;

5 (ii) the number of cases in which child
6 support orders are obtained; and

7 (iii) the number of cases with child
8 support orders in which collections are
9 made; and

10 (C) to the maximum extent possible under
11 current law, will use Federal, State, and local
12 job training assistance to assist individuals who
13 have been determined to be unable to meet such
14 individuals' child support obligations;

15 (7) describe the extent to which multiple agen-
16 cies, including those responsible for administering
17 the Aid to Families With Dependent Children Pro-
18 gram under part A of title IV of the Social Security
19 Act and child support collection, enforcement, and
20 payment under part D of such title, will be involved
21 in the design and operation of the child support as-
22 surance project; and

23 (8) contain such other information as the Sec-
24 retary may require by regulation.

1 (c) USE OF FUNDS.—A State shall use amounts pro-
2 vided under a grant awarded under this section to carry
3 out a child support assurance project designed to provide
4 a minimum monthly child support benefit for each eligible
5 child in the State to the extent that such minimum child
6 support is not paid in a month by the noncustodial parent.

7 (d) REQUIREMENTS.—(1) A child support assurance
8 project funded under this section shall provide that—

9 (A) any child (as defined in paragraph (2)) with
10 a living noncustodial parent for whom a child sup-
11 port order has been sought (as defined in paragraph
12 (3)) or obtained and any child who meets “good
13 cause” criteria for not seeking or enforcing a sup-
14 port order is eligible for the assured child support
15 benefit;

16 (B) the assured child support benefit shall be
17 paid promptly to the custodial parent at least once
18 a month and shall be—

19 (i) an amount determined by the State
20 which is—

21 (I) not less than \$1,500 per year for
22 the first child, \$1,000 per year for the sec-
23 ond child, and \$500 per year for the third
24 and each subsequent child, and

1 (II) not more than \$3,000 per year
2 for the first child and \$1,000 per year for
3 the second and each subsequent child;

4 (ii) offset and reduced to the extent that
5 the custodial parent receives child support in a
6 month from the noncustodial parent;

7 (iii) indexed and adjusted for inflation; and

8 (iv) in the case of a family of children with
9 multiple noncustodial parents, calculated in the
10 same manner as if all such children were full
11 siblings, but any child support payment from a
12 particular noncustodial parent shall only be ap-
13 plied against the assured child support benefit
14 for the child or children of that particular
15 noncustodial parent;

16 (C) for purposes of determining the need of a
17 child or relative and the level of assistance, one-half
18 of the amount received as a child support payment
19 shall be disregarded from income until the total
20 amount of child support and Aid to Families With
21 Dependent Children benefit received under part A of
22 title IV of the Social Security Act equals the Federal
23 poverty level for a family of comparable size;

24 (D) in the event that the family as a whole be-
25 comes ineligible for Aid to Families With Dependent

1 Children under part A of the Social Security Act due
2 to consideration of assured child support benefits,
3 the continuing eligibility of the caretaker for Aid to
4 Families With Dependent Children under such title
5 shall be calculated without consideration of the as-
6 sured child support benefit; and

7 (E) in order to participate in the child support
8 assurance project, the child's caretaker shall apply
9 for services of the State's child support enforcement
10 program under part D of title IV of the Social
11 Security Act.

12 (2) For purposes of this section, the term "child"
13 means an individual who is of such an age, disability, or
14 educational status as to be eligible for child support as
15 provided for by the law of the State in which such individ-
16 ual resides.

17 (3) For purposes of this section, a child support order
18 shall be deemed to have been "sought" where an individual
19 has applied for services from the State agency designated
20 by the State to carry out the requirements of part D of
21 title IV of the Social Security Act or has sought a child
22 support order through representation by private or public
23 counsel or pro se.

24 (e) CONSIDERATION AND PRIORITY OF APPLICA-
25 TIONS.—(1) The Secretary shall consider all applications

1 received from States desiring to conduct demonstration
2 projects under this section and shall approve not more
3 than 6 applications which appear likely to contribute sig-
4 nificantly to the achievement of the purpose of this sec-
5 tion. In selecting States to conduct demonstration projects
6 under this section, the Secretary shall—

7 (A) ensure that the applications selected rep-
8 resent a diversity of minimum benefits distributed
9 throughout the range specified in subsection
10 (d)(1)(B)(i);

11 (B) consider the geographic dispersion and vari-
12 ation in population of the applicants;

13 (C) give priority to States the applications of
14 which demonstrate—

15 (i) significant recent improvements in—

16 (I) establishing paternity and child
17 support awards,

18 (II) enforcement of child support
19 awards, and

20 (III) collection of child support pay-
21 ments;

22 (ii) a record of effective automation; and

23 (iii) that efforts will be made to link child
24 support systems with other service delivery sys-
25 tems;

1 (D) ensure that the proposed projects will be of
2 a size sufficient to obtain a meaningful measure of
3 the effects of child support assurance;

4 (E) give priority, first, to States intending to
5 operate a child support assurance project on a state-
6 wide basis, and, second, to States that are commit-
7 ted to phasing in an expansion of such project to the
8 entire State, if interim evaluations suggest such ex-
9 pansion is warranted; and

10 (F) ensure that, if feasible, the States selected
11 use a variety of approaches for child support guide-
12 lines.

13 (2) Of the States selected to participate in the dem-
14 onstration projects conducted under this section, the Sec-
15 retary shall require, if feasible—

16 (A) that at least 2 provide intensive integrated
17 social services for low-income participants in the
18 child support assurance project, for the purpose of
19 assisting such participants in improving their em-
20 ployment, housing, health, and educational status;
21 and

22 (B) that at least 2 have adopted the Uniform
23 Interstate Family Support Act.

24 (f) DURATION.—(1) During fiscal year 1995, the
25 Secretary shall develop criteria, select the States to par-

1 ticipate in the demonstration, and plan for the evaluation
2 required under subsection (h). The demonstration projects
3 conducted under this section shall commence on October
4 1, 1995, and shall be conducted for not less than 3 and
5 not more than 5 consecutive fiscal years, except that the
6 Secretary may terminate a project before the end of such
7 period if the Secretary determines that the State conduct-
8 ing the project is not in substantial compliance with the
9 terms of the application approved by the Secretary under
10 this section.

11 (g) COST SAVINGS RECOVERY.—The Secretary shall
12 develop a methodology to identify any State cost savings
13 realized in connection with the implementation of a child
14 support assurance project conducted under this Act. Any
15 such savings realized as a result of the implementation
16 of a child support assurance project shall be utilized for
17 child support enforcement improvements or expansions
18 and improvements in the Aid to Families With Dependent
19 Children Program conducted under part A of title IV of
20 the Social Security Act within the participating State.

21 (h) EVALUATION AND REPORT TO CONGRESS.—(1)
22 The Secretary shall conduct an evaluation of the effective-
23 ness of the demonstration projects funded under this sec-
24 tion. The evaluation shall include an assessment of the ef-
25 fect of an assured benefit on—

1 (A) income from nongovernment sources and
2 the number of hours worked;

3 (B) the use and amount of government sup-
4 ports;

5 (C) the ability to accumulate resources;

6 (D) the well-being of the children, including
7 educational attainment and school behavior; and

8 (E) the State's rates of establishing paternity
9 and support orders and of collecting support.

10 (2) Three and 5 years after commencement of the
11 demonstration projects, the Secretary shall submit an in-
12 terim and final report based on the evaluation to the Com-
13 mittee on Finance and the Committee on Labor and
14 Human Resources of the Senate, and the Committee on
15 Ways and Means and the Committee on Education and
16 Labor of the House of Representatives concerning the ef-
17 fectiveness of the child support assurance projects funded
18 under this section.

19 (i) STATE REPORTS.—The Secretary shall require
20 each State that conducts a demonstration project under
21 this section to annually report such information on the
22 project's operation as the Secretary may require, except
23 that all such information shall be reported according to
24 a uniform format prescribed by the Secretary.

1 (j) RESTRICTIONS ON MATCHING AND USE OF
2 FUNDS.—(1) A State conducting a demonstration project
3 under this section shall be required—

4 (A) except as provided in paragraph (2), to pro-
5 vide not less than 20 percent of the total amounts
6 expended in each calendar year of the project to pay
7 the costs associated with the project funded under
8 this section;

9 (B) to maintain its level of expenditures for
10 child support collection, enforcement, and payment
11 at the same level, or at a higher level, than such ex-
12 penditures were prior to such State's participation in
13 a demonstration project provided by this section;
14 and

15 (C) to maintain the Aid to Families With De-
16 pendent Children benefits provided under part A of
17 title IV of the Social Security Act at the same level,
18 or at a higher level, as the level of such benefits on
19 the date of the enactment of this Act.

20 (2) A State participating in a demonstration project
21 under this section may provide no less than 10 percent
22 of the total amounts expended to pay the costs associated
23 with the project funded under this section in years after
24 the first year such project is conducted in a State if the

1 State meets the improvements specified in subsection
2 (b)(6)(B).

3 (k) COORDINATION WITH CERTAIN MEANS-TESTED
4 PROGRAMS.—For purposes of—

5 (1) the United States Housing Act of 1937;

6 (2) title V of the Housing Act of 1949;

7 (3) section 101 of the Housing and Urban De-
8 velopment Act of 1965;

9 (4) sections 221(d)(3), 235, and 236 of the Na-
10 tional Housing Act;

11 (5) the Food Stamp Act of 1977;

12 (6) title XIX of the Social Security Act; and

13 (7) child care assistance provided through part
14 A of title IV of the Social Security Act, the Child
15 Care and Development Block Grant, or title XX of
16 the Social Security Act,

17 any payment made to an individual within the demonstra-
18 tion project area for child support up to the amount which
19 an assured child support benefit would provide shall not
20 be treated as income and shall not be taken into account
21 in determining resources for the month of its receipt and
22 the following month.

23 (l) TREATMENT OF CHILD SUPPORT BENEFIT.—Any
24 assured child support benefit received by an individual

1 under this Act shall be considered child support for pur-
2 poses of the Internal Revenue Code of 1986.

3 (m) AUTHORIZATION OF APPROPRIATIONS.—There
4 are authorized to be appropriated such sums as may be
5 necessary in each of the fiscal years 1995, 1996, 1997,
6 1998, 1999, and 2000 to carry out the purposes of this
7 Act.